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AUTHOR	Templeton, Ian
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ABSTRACT

This review discusses arguments for and against merit pay and presents some merit pay programs and proposals. The literature cited outlines the controversy surrounding merit pay, identifying its proponents and opponets; links the merit proposals to the accountability concept; discusses the problems of teacher evaluation; and lists alternative merit pay plans. (Author/JF)

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November 1972 Number 10

Merit Pay

Ian Templeton

> The mass reward system of the single-salary schedule, along with the single ranking category under which all teachers are placed, inadequately meets the needs of any profession. Financial rewards and recognition on a level commensurate with individual ability, preparation, and effort are long overdue for the public school teacher. . . .
>
> *Patterson (1969)*

The revival of merit pay programs stems in part from interest in such innovations as team teaching, differentiated staffing, and elective programs—all of which recognize differences in teacher roles, interests, and strengths. Further support for merit pay results from the current pressure for accountability.

In simplest terms, merit pay means paying a teacher according to the quality of his teaching. In practice, however, programs range from vague statements allowing school boards to exceed regular pay schedules under some conditions to programs in which all teachers and administrators are paid according to an evaluation rating.

The literature, written largely by educational administrators and professors, strongly supports merit pay. These authors view merit pay as a step toward teacher professionalism and a means of rewarding outstanding teachers. Opposition to merit pay comes mostly from teachers and is more evident in faculty rooms than in the literature. Arguments opposing merit pay center on two claims: merit pay will create competition in a profession that requires team-

work, and there are no objective standards available for teacher rating.

Five of the documents are available from the ERIC Document Reproduction Service. Complete instructions for ordering the documents are given at the end of the review.

BACKGROUND

Interest in merit pay appears cyclical. Weissman (1969) observes that prior to the depression and World War II, all teachers were paid merit salaries. When, after a period of dormancy, the idea was revived in the fifties, the National Education Association (NEA) passed a resolution against basing pay on merit ratings. An indication of the limited extent to which merit pay programs have been implemented can be gained from a review of NEA statistics. In 1938 about 20 percent of salary schedules in urban school districts with 30,000 or more population had provisions for a superior service maximum. In 1963 only 5 percent of 2,500 of the largest local school systems had merit pay plans, and two-thirds of those were in systems with less than 6,000 students. More recently, NEA research for the 1967-68 school year indicates that 9.6 percent of the 1,080 pay schedules studied offered extra pay for superior service.

Only a few of the schedules in the latest survey, however, were actual merit pay programs. Most programs consisted of blanket statements that authorized the board of education to exceed the salary schedule, specifying no detailed implementation methods. Others allowed the board to accelerate an outstanding teacher's progress on the regular schedule. A few programs did provide specific plans whereby meritorious service could prompt extra pay. In most cases a definite dollar amount was stated, and the programs usually applied only to teachers who had been in the system for several years. In many cases the schedule could not be exceeded until the regular schedule's maximum had been reached through normal progression.

THE CONTROVERSY

Merit pay plans, Weissman (1969) observes, are not often successful. A 1960 survey of officials from thirty large school districts disclosed a number of reasons for the abandonment of merit plans.

> The plans had been poorly inaugurated without teacher consent and created low morale, a sense of injustice, misunderstanding, dissension, suspicions of discrimination among teachers, opposition by teacher organizations, extra record-keeping, and dissatisfaction with the instrument used for evaluation (primarily subjective evaluation without sufficient accompanying data). (pp. 17-18)

Mahdesian (1970) presents arguments for the standard lockstep teacher pay scale. From his point of view, most school districts and teachers are happy with the present system, and it works. Merit programs would complicate the salary negotiation process and add to the cost of instruction in most school districts.

Wagoner (1969) acknowledges the three most common arguments against merit pay: experience indicates it is unworkable, current evaluation criteria are too inaccurate to be used as a basis for merit pay, and the method produces undesirable relations within schools. As counterarguments, he

PRO'S	CON'S
1. Teachers differ in their ability and efficiency; their salaries should be related to these differences.	1. Differences in teaching efficiency cannot at present be measured with sufficient accuracy for determining salaries.
2. Merit increments provide an incentive and a reward for superior service.	2. Merit rating destroys cooperative staff teamwork.
3. If we can rate for promotion and tenure we can rate for salaries.	3. Our rating methods are too crude to distinguish among fine gradations of teaching efficiency.
4. Industry uses merit rating; education can do the same.	4. Industry and education are not analogous; teaching is an art.
5. The public is willing to pay high salaries only to those who deserve them.	5. The public will reject a plan in which only a fraction of its children are taught by superior teachers.
6. Only through merit rating can teachers attain professional status.	6. We should seek to improve all teachers, not merely to reward those who appear to excel.
7. Merit rating will improve instruction.	7. Merit rating may improve the efficiency of some teachers, but will have an adverse effect on many others.
8. Merit rating will reward those who deserve recognition.	8. Merit rating will cause bitterness and disillusionment.
9. Merit rating will stimulate administrators to be more concerned with the efficiency of their teachers.	9. Merit rating will hinder effective supervision.
10. Merit rating will be well worth the additional cost, for it will ensure that money is being wisely spent.	10. The additional cost of merit rating can be more profitably used in improving the efficiency of the entire staff.

McDowell (1971) p. 2

points out that merit pay systems succeed more often than they fail, teachers are continually involved in evaluation and oppose it only when it applies to them personally, and the present undifferentiated salary schedule is inherently unfair and discriminatory. Wagoner stresses that merit pay rewards teachers judged to be superior

according to established criteria. He believes that excellence in teaching can be attained through competition and that opposition to this position will perpetuate mediocrity.

Education is undergoing serious scrutiny from critics both inside and outside the system. Rasmussen and Holobinko (1971) note teachers are gaining increased visibility because of collective negotiations and the public's interest in holding school personnel accountable. The authors argue that under the present undifferentiated salary schedule teachers have little incentive to improve their teaching. Teacher incentive is further reduced because administrators now make most of the important decisions in selecting educational objectives and choosing curriculum materials. If teachers are to gain society's respect and be considered leaders in education, they must assume more responsibility in developing educational objectives for students and adopt salary increases based on the achievement of these objectives.

Noting that the problem of evaluating teachers hinders the implementation of both merit pay and differentiated staffing, Engel (1971) reviews the role evaluation plays in the education, training, placement, and instructional methods of teachers. He concludes that teachers object to evaluation only when it relates to their pay. If teachers were challenged to do so, Engel contends that they could devise an acceptable method for evaluating one another. The benefits of such a program would be diverse—improved instruction, rewards for meritorious service, healthy and beneficial competition, and increased professionalism. Engel suggests that teacher evaluation of other teachers for merit pay might lead to the acceptance of differentiated staffing. Further, differentiated staffing could be a step toward solving staff assignment problems, pay perplexities, and morale crises in the schools, as well as a method of meeting public criticism of the single salary schedule.

Patterson (1969) argues that the single salary schedule inadequately meets the needs of any profession and that rewards based on ability, preparation, and effort are overdue in the teaching profession. He suggests teacher-ranking for recognition, privileges, and pay as a remedy for several maladies in education. These maladies include high teacher turnover, equal pay for unequal performance, minimal salaries that result in moonlighting, and low teacher status. The promotion of teacher professionalism, Patterson maintains, requires both increased financial incentives and added recognition of individual teacher skills. As guidelines, Patterson describes five suggested teacher ranks with their related pay levels and increments.

After conducting research to resolve some of the confusion surrounding the question of merit pay, Conte and Mason (1972) synthesize information and professional opinion about teacher compensation. Their report is presented in two major sections—one on the concept of merit pay, the other on alternative methods of rewarding outstanding teachers. The merit pay section focuses on:

- three major additional compensation provisions
- merit provisions in historical perspective
- principles of merit pay plans
- procedures for merit rating and/or evaluation
- pro and con arguments regarding merit pay programs
- some successes and failures of merit pay plans

Their study reports that careful teacher preparation and training (implying improve-

ments in the college programs for training new teachers) are necessary before a school can handle the technical and human relationship problems inherent in a thoroughgoing merit program. Other findings reveal that a merit salary program is feasible only in school systems having objective evaluation procedures and that teacher morale is not primarily determined by the salary system, whether merit or nonmerit. Two model salary schedules, one proposed salary schedule, and a 19-item bibliography are included.

PROGRAMS AND PROPOSALS

Positing that merit pay is an attempt to make teachers accountable to society, McDowell (1971) offers two definitions of accountability. The narrow one bases a teacher's salary entirely on instructional competency, and the broad definition relates salary only partially to competency measurements. After summarizing the controversy over merit rating, he describes requirements for a successful plan. These include the prerequisite conditions of acceptance, mutual confidence, participation, and research; a validated and continuous evaluation system; and a basic scale of salaries adequately reflecting the importance of teaching. He notes that the probable cost of such a program has been estimated at an additional 18 percent of payroll.

According to McDowell, the philosophical problem raised by merit rating results from conflicting views of the school system, which can be considered as a bureaucracy or as a profession. A teacher cannot retain professional autonomy if he is to be rated by someone else. As a step toward ensuring professionalism, the Saskatchewan Teachers' Federation has developed a program of teacher accreditation by subject. The program is based on the belief that, in accepting authority for program modification and student evaluation, the teacher is also undertaking the responsibility to defend what he is doing and why he is doing it.

Two two-year colleges, one with and one without a merit incentive system for salary and status advancement, were compared for faculty participation in the achievement of institutional goals (Wallin 1966). Except for their advancement system, the two colleges were similar in every respect. The merit college (MC) used academic titles and promoted faculty on higher echelon recommendations based on the individual's performance of duty. The nonmerit college (NMC) labeled everyone "instructor," used automatic annual salary increments, and had no formally institutionalized allocation of rewards and penalties. Both colleges had two basic institutional objectives other than instruction: counseling students and providing cultural and educational programs for the community. The results of the study showed that:

- 67 percent of the MC staff participated in community activities, whereas only 54 percent of the NMC staff did so
- 46 percent of the MC staff moonlighted, compared with 75 percent of the NMC staff
- 41 percent of the MC staff named student counseling as a regular weekly activity, whereas only 10 percent of the NMC staff did so

In general, it was concluded that the incentive for faculty pursuit of institutional goals is greater in colleges with a merit advancement system.

Chaplin (1969) reports on a program designed to represent a merit approach to salary considerations. Under this plan, operating in the Hartford (Wisconsin) Union

High School District, a teacher earns salary increases by accumulating additional college credits. The individual teacher decides whether to take more credits; he can remain at the highest step in his category (B.A., B.A. plus eight hours, and so forth) or he can earn an increment each year if he continues his educational training. Credits accumulated through individual initiative are evidence of meritorious attainment, and the system becomes self-administered to a great extent. The school district encourages teachers to take additional credits by paying $50 per credit, up to $300 each summer. Project LEAP (Leadership in Educational Advancement Program) is an incentive program that consists of merit awards, ranging from $200 to $400, for M.A. teachers who complete projects enhancing the educational program. No limit is placed on the number of consecutive annual projects a teacher may propose, and the increment becomes a permanent part of the teacher's pay.

In the Barrington (Illinois) school districts, the teachers and all administrators, including the superintendent, are paid on a merit plan ("Teacher Evaluation" 1968). At the beginning of the school year, each teacher is assigned a number known only to himself and his principal. All evaluation forms are identified only by a teacher's number. Teachers in the elementary schools are evaluated by their principals, and in the middle-school by the principal with the help of the directors of instruction and pupil personnel. In the high school, department heads evaluate teachers, and the principal evaluates the department heads. The superintendent evaluates the principals and central staff and, in turn, is judged by the board of education. Teachers are rated on a subjective scale ranging from zero ("reject") to 10 ("outstanding"). In February the ratings are sent to the superintendent's office for collation. The money budgeted for merit increases is balanced against the collated ratings, which roughly determines the dollar amounts of merit increases. No teacher's salary is ever cut and most get increases that have averaged around $700 during the life of the program. There is a tendency for those who do not receive increases to leave the system after a year or so.

Teacher Evaluation

The difficulty of developing an equitable and acceptable teacher evaluation system is often the main obstacle to the implementation of merit pay plans. The documents discussed below do not represent a comprehensive survey of the literature on teacher evaluation, but they do provide some background on evaluation in general and some suggestions for evaluation methods to be used specifically with merit pay plans.

According to a publication of the Educational Service Bureau, Inc. (1967), school districts should strive for a teacher evaluation system that supports teachers' professional growth. Such a system should provide not only quantitative ratings for administrative purposes, but also feedback that will enhance teacher improvement and development. A successful teacher evaluation system requires:

- full support of the school board and the superintendent
- acceptance and involvement of teachers
- systemwide coordination
- a clear and comprehensive statement of the purposes and areas of evaluation
- well-defined evaluation procedures

Case studies examine comprehensive teacher evaluation programs in several cities. The

document includes sample evaluation forms and instructions.

In the introduction to an 86-item bibliography on teacher evaluation (McKenna and others 1971), McKenna discusses his views on teacher evaluation and presents his impressions of the documents cited. He observes that most researchers continue to believe that student achievement is the most reliable measure of a teacher's effectiveness.

Rasmussen and Holobinko (1971) believe that the resistance of some teachers to merit pay is understandable because they fear administrators may show favoritism in their judgments. Seeking to eliminate this fear, the authors propose a new method of evaluation. They strongly suggest:

> that further salary increases be tied to the teacher's ability to design, create, and implement meaningful educational objectives. Let teachers write their own objectives for students to achieve and set forth the criteria they will accept as evidence of the achievement of those objectives. Teachers, along with administrative staff and competent outside authorities, would then determine whether the objectives were valid and realistic for those students who would be expected to achieve them. Teachers' salaries would then be based upon the achievement of these objectives by students. (p. 209)

The authors list ten advantages and five disadvantages of their suggested program, outline six implementation steps, and provide two examples of suitable objectives.

Believing that the single-salary schedule, along with the single ranking category for all teachers, inadequately meets the needs of any profession, Patterson (1969) proposes the establishment of five teaching ranks—Teacher Aide, Assistant Teacher, Regular Teacher, Senior Teacher, and Master Teacher. He provides a list of quantitatively measurable criteria for their evaluation: level of preparation, hours extended per week in behalf of education, year-round growth and service, unique contributions and accomplishments, and membership, attendance, and participation in professional organizations.

Recognizing that a major source of teacher opposition to merit rating is the lack of agreement on what an effective teacher is or does, Anthony (1968) suggests a new approach to merit rating for teachers—measuring the quality of their manipulation of classroom environments. He cites a study showing that the teacher, through environmental manipulation, does influence the achievement of his pupils, whereas years of teaching experience do not significantly relate to pupil achievement. Anthony notes that his approach would probably be acceptable to teachers because they could be given precise information about needed and controllable changes, and they could receive better ratings and higher pay for making such changes. Additionally, merit rating would be based on factors over which the teacher has control.

ALTERNATIVE PLANS

After discussing the current practices in teacher compensation and the merit pay concept, Conte and Mason (1972) discuss the following alternatives for rewarding outstanding teachers:

- differentiated staffing
- teacher incentive plan
- approved study plan
- the school improvement plan
- the teacher executive plan
- district consultant program
- position classification-personal rank plan

Rhodes and Kaplan (1972) suggest possibilities open to school boards that are interested in improving compensation methods. They present some new avenues of exploration and study that include accountability, differentiated staffing, merit pay plans, performance contracting, and negotiating plans. An appendix contains a selection of salary plans based either on performance or role differentiation.

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RESEARCH HIGHLIGHTS

Prior to the depression and World War II, all teachers were paid on merit salaries. *(Weissman 1969)*

The probable cost of a merit pay program is estimated at an additional 18 percent of payroll. *(McDowell 1971)*

Most researchers believe that student achievement is the most reliable measure of a teacher's effectiveness. *(McKenna and others 1971)*

The three most common arguments against merit pay are that experience indicates it is unworkable, current evaluation criteria are inaccurate, and the method disrupts staff relations. *(Wagoner 1969)*

Having teachers learn to evaluate other teachers for merit pay may lead the way to differentiated staffing. *(Engel 1971)*

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